

## Attachment 1: MOU Template with AMBAG

MEMORANDUM OF UNDERSTANDING  
between  
THE ASSOCIATION OF MONTEREY BAY AREA GOVERNMENTS  
and  
**INSERT GRANTEE AGENCY NAME HERE**

### RECITALS

WHEREAS, Governor Gavin Newsom signed Assembly Bill 101 in September 2019, which established the Local Government Planning Support Grants Program which allocates \$125 million in housing planning funds to regional entities throughout the state; and

WHEREAS, the California Department of Housing and Community Development (HCD) has been assigned as the state agency overseeing this program; and

WHEREAS, the provisions of AB 101 require the California Central Coast's Councils of Government form a multiagency group comprising three representatives from each of the region's five counties to administer approximately \$8 million in housing planning funds dedicated to the Central Coast region; and

WHEREAS, the Central Coast Housing Working Group has been established as the multiagency working group to administer these funds pursuant to AB 101; and

WHEREAS, the Association of Monterey Bay Area Governments (AMBAG) will serve as the fiscal agent of the Central Coast Housing Working Group and will staff the group; and

WHEREAS, AMBAG will use three percent of the AB 101 Central Coast regional funding to administer the mega regional grant program, staff the Central Coast Housing Working Group, provide required reporting, and provide oversight of the grant program from 2020 to 2024; and

WHEREAS, AMBAG will allocate AB 101 housing planning funds to the four COGs in the Central Coast area: AMBAG, the San Luis Obispo Council of Governments, the Santa Barbara County Association of Governments, and the Council of San Benito County Governments; and

WHEREAS, the **[insert Grantee Agency name here]** is eligible to submit a request for allocation for a portion of Central California AB 101 housing planning funds from AMBAG; and

WHEREAS, the amounts allocated to the Association of Monterey Bay Area Governments (AMBAG) are based on the allocation method approved by the Central Coast Housing Working Group; and

WHEREAS, the amounts allocated to [insert Grantee Agency name here] will be based on the allocation method approved by AMBAG; and

WHEREAS, AMBAG shall approve allocation requests subject to the terms and conditions of eligibility, guidelines, Notices of Funding Availability, and program requirements.

THEREFORE, BE IT RESOLVED:

1. The [insert Grantee Agency name here] (Grantee) is hereby authorized to request an allocation not to exceed \$ [Amount] from the Association of Monterey Bay Area Governments which acts on behalf of the Central Coast Housing Working Group. Up to 2% of that funding may be used by the Grantee to be used for administering the program.
2. When the Grantee receives an allocation of funds from AMBAG, it represents and certifies that it will use all such funds only for eligible activities as set forth in Health and Safety Code section 50515 and in accordance with all program requirements, guidelines, suballocation application, all applicable state and federal statutes, rules, regulations.
3. The Grantee shall be responsible for spending these funds as indicated below, per AB 101, Section 11, Chapter 3.1, Section 50515.02 within Part 2 of Division 31 of the California Health and Safety Code:
  - a. Planning that will accommodate the development of housing and infrastructure to accelerate housing production in a way that aligns with state planning priorities, housing, transportation, equity, and climate goals. Funds shall only be used for housing-related planning activities, including, but not limited to, the following:
    - I. Technical assistance in improving housing permitting processes, tracking systems, and planning tools.
    - II. Establishing regional or countywide housing trust funds for affordable housing.

- III. Performing infrastructure planning, including for sewers, water systems, transit, roads, or other public facilities necessary to support new housing and new residents.
  - IV. Performing feasibility studies to determine the most efficient locations to site housing consistent with Sections 65041.1 and 65080 of the Government Code.
  - V. Covering the costs of temporary staffing or consultant needs associated with the activities described in paragraphs (i) to (iv), inclusive.
  - VI. Providing jurisdictions and other local agencies with technical assistance, planning, temporary staffing or consultant needs associated with updating local planning and zoning documents, expediting application processing, and other actions to accelerate additional housing production.
- b. Ineligible and prohibited uses of funding include the following activities:
- I. Activities unrelated to accelerating housing production;
  - II. Activities unrelated to preparation and adoption of planning documents, and process improvements to accelerate housing;
  - III. Activities that obstruct or hinder housing production, e.g., moratoriums, downzoning, planning documents with conditional use permits that significantly impact approval certainty and timing, planned development, or other similarly constraining processes;
  - IV. Capital financing, operation or funding related to programs of individual housing development projects; and
  - V. Administrative costs of persons employed by the grantee for activities not directly related to the preparation and adoption of the proposed activity or activities.
- c. Funding may only be used for planning purposes and cannot be used for purposes such as construction or subsidizing building permits.
- d. Up to two percent of Grantee funding may be used for administering the program.
- e. All expenditures must comply with the HCD program guidance.

#### 4. Financial Oversight

- a. The Grantee shall establish financial oversight practices and process for assuring appropriate use of funds per AB 101, and shall spend all funds towards approved purposes no later than [Month, date], 2023.
- b. The Grantee shall establish and maintain an accounting system conforming to Generally Accepted Accounting Principles (GAAP) to support Invoices which segregate and accumulate the costs of work elements by line item which clearly identify reimbursable costs and other expenditures by project codes.
- c. The Grantee agrees to include all costs associated with this Memorandum of Understanding and any amendments thereto to be examined in any annual audit and in the schedule of activities to be examined under a single audit prepared in compliance with Office of Management and Budget Circular A-133.
- d. The Grantee agrees to furnish documentation to AMBAG related to adherence to this section in its entirety.
- e. The Grantee's use of funding shall be subject to the oversight by AMBAG and the Central Coast Housing Working Group.
- f. AMBAG shall monitor costs and performance of the Grantee and take steps as necessary to ensure that the funds are spent towards eligible costs on time and on budget.

## 5. Invoices and Progress Reports

- a. The Grantee shall submit to AMBAG on a quarterly basis, each requisition for payment (Invoice) accompanied by a narrative progress report. Quarters are defined as July 1 to September 30, October 1 to December 31, January 1 to March 31, and April 1 to June 30. All invoices shall be submitted to AMBAG by email to the designated contact(s).
  - i. The Grantee shall submit the following relative to an Invoice:
    - i. An invoice with supporting documentation, including but not limited to reports from the accounting system that support the costs claimed; and
    - ii. A progress report that, in narrative form, describes progress toward completion of tasks, projects, and products, conformance with project schedules, and reporting of all costs incurred; and

- iii. Upon request of AMBAG, additional information or documentation to support the costs contained in the Invoice.
  - b. The Grantee shall submit an invoice to AMBAG, no later than thirty (30) days after the close of each quarter. Invoices shall describe progress toward completion of tasks, projects, and products, conformance with project schedules and reporting of costs incurred.
    - I. AMBAG must indicate approval of Grantees invoices before they will be considered complete.
  - c. Year-end Invoices submitted in the fourth quarter and supporting documentation shall be received by AMBAG on or before July 31 of each fiscal year. Invoices received by AMBAG after July 31 for the preceding fiscal year shall not be paid.
  - d. Payment of Invoices is contingent upon receipt by AMBAG of the above documentation provided by Grantee. Payment to Grantee is further contingent upon AMBAG's determination, that the performance of the Grantee meets federal, state and AMBAG standards.
  - e. Deadlines described in Sections 5 a-d may be adjusted if mutually agreed to by AMBAG and the Grantee.
  - f. All Grantee funds must be spent and work completed by November 1, 2023.
  - g. By November 1, 2023, if Grantee invoices less than allocated, AMBAG shall not disburse the remaining non-invoiced amount.
- 6. Project Records
  - a. Financial records, supporting documents and other records pertinent to this Memorandum of Understanding shall be retained by the Grantee for a period of three (3) years from the date of submission of the final expenditure report, except that records pertaining to audit, appeals, litigation or settlement of claims arising out of performance of this Memorandum of Understanding shall be retained until such audits, appeals, litigation or claims have been disposed of.

- b. The Grantee shall make all project materials, documents, and financial records available to AMBAG upon request. All Project records, including but not limited to original data and primary data-yielding materials, secondarily derived tables and figures, and statistical tabulations and other summaries, pertinent to this Memorandum of Understanding, shall be made available by the Grantee to AMBAG for a period of three (3) years from the termination date of this Memorandum of Understanding.

## 7. Conflict of Interest

- a. The Grantee and its officers, employees, and agents that perform work under this Memorandum of Understanding shall comply with Federal and State conflict of interest laws, regulations and policies, and applicable provisions of AMBAG's Conflict of Interest Policy.

## 8. Mutual Liability

- a. Each party hereto agrees to be responsible and assume mutual and proportional liability for its own wrongful or negligent acts or omissions, or those of its officers, agents or employees, to the full extent required by law.

## 9. Amendments

- a. This Memorandum of Understanding may be amended. Any amendment shall be implemented upon written agreement of all parties.

## 10. Nonperformance

- a. If a grantee has not made sufficient project progress by February 30, 2023, funding may be reallocated to another grantee, and/or purpose in order to assure all funding dedicated to the Central Coast region is spent by the November 1, 2023 deadline.

## 11. Noncompliance

- a. In addition to such other remedies as provided by law, in the event of noncompliance with any grant condition or specific requirement of this Memorandum of Understanding, this Memorandum of Understanding may be terminated.

## 12. Term

- a. This Memorandum of Understanding shall end on March 31, 2025. The period of performance may be extended by written agreement of all parties.

13. Termination for Convenience

- a. This agreement may be terminated by AMBAG, in whole or in part, at any time by providing Grantee written notice of not less than thirty (30) days. Grantee shall be reimbursed for its incurred costs, including contract closeout costs for work performed up to the time of termination. This clause shall be passed through to any consultants or contractors.

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Maura F. Twomey  
Executive Director  
Association of Monterey Bay Area Governments

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Name  
[Insert title of Board Chair/President]  
Council of Governments

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Name  
[Insert title of Council/Board Chair/Supervisor]  
Grantee Agency

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Name  
[Insert title of Executive Director/City Manager/CAO of Applicant Grantee Agency]  
Grantee Agency